

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW
265 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:
(617) 951-1354
(617) 951-0586

September 28, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

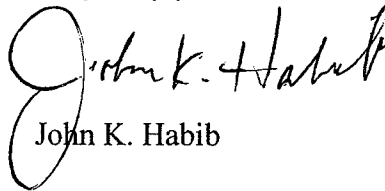
Re: Boston Edison Company, D.T.E. 04-68

Dear Secretary Cottrell:

Enclosed please find the responses of Boston Edison Company d/b/a NSTAR Electric (the "Company") to discovery questions asked by the Department of Telecommunications and Energy and the Attorney General in the above-referenced proceeding, as listed on the following Discovery Log. Please note that the Company is filing several related confidential and proprietary documents with the Hearing Officer and the Attorney General only, under separate cover.

Thank you for your attention to this matter.

Very truly yours,



John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

LOG OF RESPONSES FILED

D.T.E. 04-68

September 28, 2004

Response	Status	Other
DTE-1-1		
DTE-1-2		
DTE-1-3		
DTE-1-4		
DTE-1-5		
DTE-1-6		
DTE-1-7		
DTE-1-8		
DTE-1-9	Filed Herewith	
DTE-1-10		
DTE-1-11		
DTE-1-12		
DTE-1-13		
DTE-1-14		
DTE-1-15	Filed Herewith	
DTE-1-16	Filed Herewith	
DTE-1-17	Filed Herewith	
DTE-1-18	Filed Herewith	
DTE-1-19	Filed Herewith	
AG-1-1		
AG-1-2	Filed Herewith	Attachments AG-1-2 (a) through (g) each CONFIDENTIAL
AG-1-3	Filed Herewith	Attachments AG-1-3(a) and (b), each CONFIDENTIAL
AG-1-4	Filed Herewith	Attachment AG-1-4
AG-1-5		
AG-1-6	Filed Herewith	
AG-1-7		
AG-1-8	Filed Herewith	
AG-1-9	Filed Herewith	Attachment AG-1-9
AG-1-10	Filed Herewith	Attachment AG-1-10
AG-1-11	Filed Herewith	Attachments AG-1-11(a) and (b), each CONFIDENTIAL (CD-ROM)
AG-1-12	Filed Herewith	Attachment AG-1-12

Response	Status	Other
AG-1-13	Filed Herewith	Attachment AG-1-13
AG-1-14	Filed Herewith	Attachment AG-1-14 CONFIDENTIAL (CD-ROM)
AG-1-15	Filed Herewith	Attachments AG-1-15(a) and (b) each CONFIDENTIAL (CD-ROM)
AG-1-16	Filed Herewith	
AG-1-17	Filed Herewith	
AG-1-18	Filed Herewith	
AG-1-19	Filed Herewith	Attachment AG-1-19
AG-1-20	Filed Herewith	Attachment AG-1-20
AG-1-21	Filed Herewith	
AG-1-22		
AG-1-23	Filed Herewith	
AG-1-24	Filed Herewith	
AG-1-25		
AG-1-26		
AG-1-27		
AG-1-28	Filed Herewith	
AG-1-29		
AG-1-30		
AG-2-1		
AG-2-2	Filed Herewith	
AG-2-3	Filed Herewith	
AG-2-4	Filed Herewith	
AG-2-5	Filed Herewith	Attachment AG-2-5 CONFIDENTIAL (CD-ROM)
AG-2-6		
AG-2-7		
AG-2-8		
AG-2-9		
AG-2-10		

Information Request DTE-1-9

Refer to Exh. NSTAR-RBH at 5. Please state how many bids the company received in the 1999 auction. How many companies resubmitted their bids in the 2003 auction?

Response

As discussed in Exhibit DTE-1-28 and Exhibit DTE-1-1 in D.T.E. 04-60, the Company received 15 bids in the 1999 auction. Six of the 1999 bidders also bid in the 2003 auction. Five of them bid on the same contracts and one bidder chose to pursue different contracts in 2003.

Information Request DTE-1-15

Refer to Exh. NSTAR-GOL at 11-12 and Appendix A, Article 2 - Entitlement Payment, section 2.1, at 2-3. Please indicate if there are any additional workpapers or spreadsheets that incorporate the Entitlement Payments or a detailed description of those payments in the filing, and if so, identify those exhibits. Are the monthly totals listed inclusive of both OSP I and OSP II? Please provide all supplemental workpapers and calculations.

Response

The Entitlement Payment defined in Appendix C (not Appendix A as stated in the question), Article 2, section 2.1 represents the total monthly entitlement payment for the combined OSP units. The Entitlement Payments are shown in total on Exhibit NSTAR-BEC-GOL-4, page 6, columns b and c. There are no other supplemental workpapers or calculations.

Information Request DTE-1-16

Refer to Exh. NSTAR-GOL at 17. Please provide a projection of the consulting and legal costs to be incurred by the Company to conduct the 2003 Auction. How much of these costs are projected to be assigned to Ocean State Power transaction. Please provide all supplemental workpapers and calculations.

Response

As stated in Exhibit DTE-1-7 in D.T.E. 04-60, the Company's projection of consulting and legal costs to conduct the 2003 Auction and all related regulatory filings is \$1.1 million in total. Of this amount, approximately \$800,000 is the cost of consulting services to conduct the auction and provide regulatory support. Legal costs in connection with making the PPA filings at the Department are estimated at \$300,000. These costs will be part of the determination of the mitigation for all associated PPAs.

As discussed in Exhibit DTE-1-6 in D.T.E. 04-60, in Exhibit NSTAR-GOL at 17-18, and further clarified in the response to Information Request DTE-1-17, these costs will be allocated to each of the contracts that the Company is successful in renegotiating as a result of the 2003 Auction based on the total savings achieved. Assuming the Company ultimately successfully consummates the five separate contracts that are thus far pending and as docketed by the Department as D.T.E. 04-60, 04-61, 04-68, 04-78 and 04-85, which total approximately \$290 million in total customer savings, Ocean State Power would be allocated approximately 4 percent of the consulting and legal costs. To the extent that the Company is successful in negotiating the restructuring or termination of additional contracts, the allocation of auction-related legal and consultant costs relating to the 2003 Auction will be reduced proportionately.

Information Request DTE-1-17

Refer to Exh. NSTAR-GOL at 18. The Company stated that it would allocate the consulting and legal costs for the 2003 Auction based on the savings by contract. Please explain in detail how the allocation will be made.

Response

As the Company stated in Exhibit DTE-1-6 in D.T.E. 04-60, the Company intends to allocate consulting and legal costs on the basis of the net present value of the savings. For illustrative purposes only, assuming the Company ultimately successfully consummates four separate contracts, the allocation would work as follows.

<u>Description</u>	<u>NPV Savings</u>	<u>Percent of Total</u>
Contract A	\$6 million	11.1%
Contract B	15 million	27.7%
Contract C	30 million	55.6%
Contract D	<u>3 million</u>	<u>5.6%</u>
Total	<u>\$54 million</u>	<u>100.0%</u>

Information Request DTE-1-18

Refer to Exh. NSTAR-BEC-GOL-2. Based on a discount rate of 6.61 percent, \$16.186 million in savings, and a net present value of \$11.830 million, please identify the number of years used for discounting. Provide all supporting calculations and workpapers.

Response

As explained in Exhibit DTE-1-15 in D.T.E. 04-60, all years included in Exhibit NSTAR-BEC-GOL-2 are used in the discounting. An electronic version of this exhibit has been provided on the CD-ROM as a response to Information Request DTE-1-1.

Information Request DTE-1-19

Refer to Exh. NSTAR-BEC-GOL-3, page 1, Column B. Please (1) explain the basis for the forecast of the transition costs in 2004; (2) explain the basis for the assumption of two percent load growth per annum for the year 2004; and (3) provide the GWH delivered for the years 1998 through 2002.

Response

As discussed in Exhibit DTE-1-19 in D.T.E. 04-60:

- (1) The forecast of the transition costs in 2004 is composed of three major categories: the fixed component, the variable component and other adjustments. For the first five months of 2004, actual costs were used. The remaining seven months of 2004, for the most part, are unchanged from the assumptions used when the Company filed its Transition Charge true-up in D.T.E. 03-117. However, the forecast for the variable component does change because the Company developed a new forecast of PPA costs in conjunction with the PPA auction.
- (2) The 2 percent load growth assumption for future years has been a standard assumption by the Company in its annual Transition Charge filings. Since the transition charges collected are trued-up for actual costs and revenues, a more rigorous approach to forecasting future load growth was not warranted.
- (3) The actual GWH delivered is:

<u>Year</u>	<u>GWH</u>
1998	13,045
1999	14,050
2000	14,750
2001	14,504
2002	14,579

Information Request AG-1-2

Please provide copies of all bids that include either or both of the Ocean State Power contracts. To the extent that later bids were communicated orally, please provide a history of those oral bids.

Response

CONFIDENTIAL ATTACHMENTS

Please refer to Attachment AG-1-2 (**CONFIDENTIAL**) for all five bids that included the Ocean State Power Contracts.

- Bidder A, initial and revised bid with some PPAs excluded
- Bidder C, initial bid
- Bidder D, initial and final bids

As shown in Exhibit NSTAR-RBH-5, two bidders (Bidders A and C) provided portfolio bids that included OSP, and one bidder, Bidder D, provided stand-alone OSP pricing.

Information Request AG-1-3

Please provide copies of all evaluations of the bids for the Ocean State Power contracts done by and for the Company.

Response

CONFIDENTIAL ATTACHMENTS

Please refer to Attachment AG-1-3(a) **CONFIDENTIAL** and Attachment AG-1-3(b) **CONFIDENTIAL**.

Information Request AG-1-4

Please provide copies of all of the bidder questions and answers regarding the contracts.

Response

Please see Attachment AG-1-4, which lists all of the questions and answers regarding the OSP contracts.

OSP Q&A - NSTAR 2003 Fall Auction

Question	Answer
OSP 1 Please provide any information confirming or disputing the letter that was sent by NSTAR stating its interpretation of the delivery point.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please provide the heat rate for the unit.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please detail the dispatch rights at OSP 1.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please explain the steadily declining capacity factors listed in Figure 5.17 of the offering memo.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please discuss the costs that are passed-through in the agreement. What representation is NSTAR willing to make about future cost levels?	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please describe the economic impact of emission credits.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 The third amendment mentions a replacement Appendix A (pro forma gas contract), but this was not attached.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please provide the Commercial Date of the unit.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 1 Please walk through the most current bill and explain the various line items.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 - Please provide any information confirming or disputing the letter that was sent by NSTAR stating its interpretation of the delivery point.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please provide the heat rate for the unit.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please detail the dispatch rights at OSP 2.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please explain the steadily declining capacity factors listed in Figure 5.18 of the offering memo.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please discuss the costs that are passed-through in the agreement. What representation is NSTAR willing to make about future cost levels?	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please describe the economic impact of emission credits.	Answers provided verbally at a meeting with the bidder in November 2003.
OSP 2 Please provide the Commercial Date of the unit.	Answers provided verbally at a meeting with the bidder in November 2003.
Does NSTAR record Ocean State as a QF facility? Do you know how OS maintains its QF status?	OSP is not a QF.
Do you know why the capacity factor dropped so precipitously in the first six months of 2003? There doesn't appear to be any contractual changes that would account for this. Is this market dispatch related? If so, could you say what was different in 2003 compared to 2002 or 2001?	Three reasons for the change in capacity factors: 1) SMD was implemented; pricing strategies among generators has been evolving through the months and SMD caused a major shift. That shift has been mitigated to a certain extent in the recent months. 2) Fuel pricing under both OSP contracts was affected by an arbitration decision last year. Pricing increased costs significantly in December 2002. These units have outdoor boilers and must be operated during periods of extremely cold weather. Capacity factors are affected the units being operated "must run" in the winter. 3) OSP unit #1 was out for an extended scheduled outage beginning in March 2003.

OSP Q&A - NSTAR 2003 Fall Auction

Question	Answer
<p>For the following plants, what are the Heat Rates adjusted for start-up fuel (and steam, if any) and could we be given estimates for variable O&M and major maintenance.</p> <ul style="list-style-type: none">-Altresco Power-Dartmouth Power-MassPower-Ocean State	<p>I got your e-mail and your voice mail. The models will likely go late next week, they are not intended for you to rely on developing your bid; they are intended to provide Bidders with our understanding how the pricing provisions work, so that if there is a disconnect between the perspectives of NSTAR and the Bidder we can each see (if Bidders provide their models) where the differences lie and perhaps find a resolution. With regard to specific heat rates the models have not been fully audited so I am reluctant to use numbers embedded in them. Further, some of the contracts you mention do not appear to use heat rate as part of their pricing calculation. Hence we do not have that calculated for our work on this transaction. Although, we have general information on New England and a complete cost-based dispatch model of the ISO, as I am sure you do. The O&M numbers, where they affect the price under the contract should be available from the detailed invoices which are all provided on the CDs.</p>

Information Request AG-1-6

Please indicate whether Concentric Energy Advisors (CEA) have been or are presently employed by TransCanada. If so, please provide a complete and detailed description of the services provide by CEA.

Response

CEA was retained in May 2004 to provide assistance to TransCanada Pipelines Limited ("TCPL") relating to its involvement in the ongoing RH-3-2004 proceeding before the National Energy Board, as well as provide assistance with its 2005 Mainline tolls proceeding which has not yet been filed. The primary issue in the RH-3-2004 proceeding relates to TCPL's application to implement a new receipt/delivery point at North Bay Junction, which is located on its Mainline. The work that CEA has performed to date has included providing assistance to TCPL with the preparation and review of information request responses, developing and sponsoring expert rebuttal testimony, and providing oral testimony at the hearings concerning that testimony.

CEA also was retained by TCPL to provide expert testimony in TCPL's last three arbitration proceedings against ProGas regarding gas pricing provisions under the gas supply contracts.

Information Request AG-1-8

Please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the use of the 7.82 percent discount rate used by CEA.

Response

As stated in Exhibit DTE-1-31 in D.T.E. 04-60:

The discount rate of 7.82% represents the Company's weighted average cost of capital based on a capital structure of 50% debt and 50% equity, and after-tax cost rates of 3.6% and 12.0% for debt and equity respectively.

Please also refer to Exhibit DTE-2-2 in D.T.E. 04-60, and Mr. Lubbock's testimony in D.T.E. 04-60 (Tr. at 92-106).

Information Request AG-1-9

Please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the use of the 6.61 percent discount rate used by the Company.

Response

The 6.61 percent discount rate was established in the Company's Restructuring Settlement Agreement as approved by the Department in D.P.U./D.T.E. 96-23. Please see Attachment AG-1-9, a copy of Attachment 3, Schedule 1, page 14 of the Restructuring Settlement Agreement which calculates the 6.61 percent.

Please also refer to Exhibit DTE-2-2 in D.T.E. 04-60, and Mr. Lubbock's testimony in D.T.E. 04-60 (Tr. at 102-104). The same procedure for determining the net present value of customer savings was approved by the Department in D.T.E. 04-60, at 25.

Boston Edison Company
Summary of Access Charges
Carrying Charge on Fixed Component
\$ in Millions

Line #	Year End	Col A	Balance of Fixed Component	Col B	Deferred Taxes	Col C	Net Balance	Col D	Average Net Balance	Col E	Using Carrying Charge on Capital	Col F
1	1997		\$1,112		\$228		\$884					
2	1998		992		285		706		795			86
3	1999		873		249		623		665			72
4	2000		735		205		529		576			63
5	2001		653		183		470		500			54
6	2002		571		160		411		441			48
7	2003		490		138		352		382			42
8	2004		408		114		294		323			35
9	2005		327		87		239		267			29
10	2006		245		60		185		212			23
11	2007		163		32		132		158			17
12	2008		82		3		79		105			11
13	2009		0		(27)		27		53			6
12	2010											

Legend:

- Col. B Schedule 1, Page 13, Col. D
- Col. C Schedule 1, Page 13, Col. I
- Col. D Col. B - Col. C
- Col. E (Col. D prior year + Col. D current year) / 2
- Col. F Col. E * Total Carrying Charge of 10.88%

Carrying Charge	Year End 1995
Capital Structure	
LTD Taxable Preferred	47.63%
Common Equity	8.92%
	43.45%
	100.00%
Cost Rates	
LTD Taxable Preferred	8.31%
Common Equity	8.22%
Total Weighted Cost Rates	7.99%
	8.16%
Reimbursement for taxes on equity component	2.71%
Carrying Charge Rate	10.88%

Total weighted cost rate less tax shield on debt

6.61%

Information Request AG-1-10

Referring to Exhibit NSTAR-RBH, page 26, lines 17 through 21, please provide copies of the bid and the bid analyses associated with moving the commencement date to the fall of 2004.

Response

All bids from TransCanada may be found in the response to Information Request AG-1-2 **CONFIDENTIAL**. Please also see Attachment AG-1-10 for the Company's May 2004 analysis of the financial true-up mechanism associated with moving the commencement date to the fall of 2004.

	PVIF (4/1)	To OSP	To TCE	From TCE	LMP To TCE	1) Cost (from contract)		2) Benefit (on payments)		3) Benefit (on LMP)
						Nominal	PV	Nominal	PV	
4/1/2004	1.000	\$(3,360,553)	\$ -	\$ -	\$ -	\$(3,360,553)	\$(3,360,553)	\$ 3,011,000	\$ 3,011,000	\$ 768,310
5/1/2004	0.994	(3,360,553)	-	-	-	(3,360,553)	(3,339,809)	3,011,000	2,992,414	763,567
6/1/2004	0.987	(3,360,553)	-	-	-	(3,360,553)	(3,318,508)	3,011,000	2,973,329	-
7/1/2004	0.981	(3,360,553)	-	-	-	(3,360,553)	(3,298,024)	3,011,000	2,954,975	-
8/1/2004	0.975	(3,360,553)	-	-	-	(3,360,553)	(3,276,990)	3,011,000	2,936,129	-
9/1/2004	0.969	(3,360,553)	-	-	-	(3,360,553)	(3,256,090)	3,011,000	2,917,403	-
10/1/2004	0.963	\$ -	\$(18,066,000)	\$20,163,318	\$(1,536,620)	\$20,163,318	\$ 19,415,946	\$(18,066,000)	\$(17,396,367)	\$(1,479,664)
						-	\$ (434,029)	-	\$ 388,883	\$ 52,214
						NET	\$ 7,067			

- 1) NSTAR pays OSP monthly and receives settlement at closing (cost)
- 2) Entitlement transfer payments accrue and are settled at closing (benefit)
- 3) NSTAR owes LMP for the first 2 months, it is settled at closing (benefit)

Information Request AG-1-11

Referring to Exhibit NSTAR-RBH, page 29, lines 12 through 5, please provide copies of all of the series of analyses under different power and fuel price scenarios performed by CEA and / or the Company.

Response

CONFIDENTIAL ATTACHMENTS

Please refer Attachment AG-1-11(a) **CONFIDENTIAL** for the calculation of savings under a 10 percent decrease in energy and fuel prices, and Attachment AG-1-11(b) **CONFIDENTIAL** for the calculation of an increase of 10 percent in energy and fuel prices. Please refer to the table below for a comparison of the recalculated savings amounts under these scenarios with the original filing.

	Total PV of Above Market Amount	Reduction in Above Market
Original Filing	\$(128,002)	6.25%
10 % Decrease	\$(129,748)	7.52%
10 % Increase	\$(126,255)	4.96%

Information Request AG-1-12

Referring to Exhibit NSTAR-RBH-6, page 2, please provide the history from the existing contract's inception date of the actual amounts for each of these columns.

Response

Please refer to Attachment AG-1-12 for the contract costs for OSP 1, as requested.

Ocean State Power Unit 1

S:\SHARED\CONTRA-PWR\PURCH\2003 PPA Auction\OSP 1\Notes\040922 OSP 1 Annual Cost Analysis.xls\Summary

Year	Total KWHs	Total Fixed Capacity Costs	Total Fuel Commodity Charges	Gas Layoff Credit to Demand Charges	Total Operating Costs	BECO %	Total BECO Costs
1990	22,071,106	245,711	99,170	-	344,880	47.0%	162,094
1991	787,659,676	84,395,936	25,070,939	(1,706,435)	107,760,441	42.2%	45,472,746
1992	514,186,792	90,329,689	18,639,320	(617,147)	108,351,861	23.5%	25,462,687
1993	436,776,147	84,685,314	18,014,691	(3,220,453)	99,479,552	23.5%	23,377,695
1994	480,288,112	79,798,303	19,072,980	(642,520)	98,228,763	23.5%	23,083,759
1995	377,457,470	81,256,266	14,770,309	(2,725,817)	93,300,758	23.5%	21,925,678
1996	454,370,432	81,097,499	18,953,097	(2,487,287)	97,563,309	23.5%	22,927,378
1997	446,539,316	72,744,895	23,008,531	(3,389,134)	92,364,292	23.5%	21,705,609
1998	475,664,628	70,595,651	23,167,734	(1,341,403)	92,421,982	23.5%	21,719,166
1999	361,770,210	71,912,804	14,342,069	(8,690,929)	77,563,944	23.5%	18,227,527
2000	352,079,045	70,503,305	41,457,710	(26,613,446)	85,347,569	23.5%	20,056,679
2001	354,402,067	69,246,685	36,811,992	(16,573,935)	89,484,742	23.5%	21,028,914
2002	282,637,579	95,723,584	21,457,759	(36,064,295)	81,117,048	23.5%	19,062,506
2003	190,882,089	67,474,211	32,348,701	(22,244,911)	77,578,001	23.5%	18,230,830
2004	94,805,862	39,104,680	18,442,614	(15,860,917)	41,686,377	23.5%	9,796,299

Notes:

1990 - Unit in service in December only
2004 - Information is through July 2004 only.

Information Request AG-1-13

Please provide the monthly capacity factor for Ocean State Power unit 1, since the inception of the existing contract.

Response

Please see Attachment AG-1-13 for the monthly Ocean State Power 1 capacity factors since the inception of the contract.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1990	79.2%	77.3%	99.3%	68.8%	91.7%	51.3%	97.7%	90.4%	91.1%	56.7%	93.5%	95.4%	82.7%
1991	95.5%	96.4%	99.2%	97.5%	78.5%	92.0%	96.5%	88.3%	97.4%	97.4%	88.0%	84.4%	91.9%
1992	99.3%	80.1%	68.1%	96.2%	76.8%	93.9%	98.5%	29.5%	70.6%	97.6%	89.1%	87.3%	81.1%
1993	87.2%	98.7%	90.8%	95.8%	75.7%	96.6%	96.5%	81.5%	95.8%	93.8%	84.7%	80.3%	90.0%
1994	86.2%	82.1%	90.0%	92.4%	60.6%	66.8%	15.4%	34.4%	44.5%	71.1%	89.1%	85.5%	68.0%
1995	87.1%	87.5%	88.4%	90.5%	87.2%	93.4%	93.3%	94.3%	87.4%	24.3%	60.9%	86.7%	81.7%
1996	86.5%	86.5%	84.6%	86.0%	90.9%	81.3%	82.6%	62.6%	51.4%	49.7%	69.6%	83.5%	77.4%
1997	82.3%	84.5%	83.1%	76.3%	81.3%	84.6%	85.7%	83.5%	78.4%	83.5%	84.7%	85.9%	82.8%
1998	83.3%	84.5%	83.1%	84.6%	81.3%	84.6%	81.3%	83.5%	78.4%	83.5%	84.7%	85.9%	82.8%
1999	85.4%	73.2%	61.9%	62.6%	75.1%	67.8%	61.5%	46.6%	55.3%	57.4%	38.3%	61.7%	61.9%
2000	69.1%	74.3%	51.1%	47.4%	62.1%	56.6%	60.0%	58.4%	55.4%	63.2%	66.5%	46.9%	58.5%
2001	48.8%	51.8%	47.4%	45.4%	52.9%	63.2%	67.9%	73.4%	76.4%	63.2%	56.7%	61.6%	59.9%
2002	56.9%	55.8%	59.1%	47.3%	54.4%	45.7%	54.9%	48.0%	60.5%	25.2%	18.9%	44.4%	47.6%
2003	39.9%	50.1%	34.7%	13.1%	11.3%	17.9%	37.3%	33.1%	36.1%	40.4%	43.0%	21.4%	31.5%
2004	29.2%	31.2%	11.7%	8.4%	39.0%	37.5%	28.6%	24.8%					

Information Request AG-1-14

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Total KWh," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the KWh amounts shown for each year along with citations to the power agreement where applicable.

Response

CONFIDENTIAL ATTACHMENT

Please refer to worksheet OSP 1, cells B4 and D9 and row 15 of Attachment AG-1-14 **CONFIDENTIAL CD-ROM**, the electronic version of the spreadsheet that contains Exhibit NSTAR-RBH-6 for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total KWh" amounts shown for each year of the OSP 1 contract. The Company's entitlement is described in the power agreement in article four, section seven, Dispatch, article five, Buyer's Entitlement, and Amendment Five, page two.

Information Request AG-1-15

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Total Fixed Capacity Costs," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Total Fixed Capacity Costs amounts shown for each year along with citations to the power agreement where applicable.

Response

CONFIDENTIAL ATTACHMENT

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP1, row 17, cell Q66, and row 124 for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total Fixed Capacity Costs" shown for each year of the OSP 1 contract. In addition, please refer to Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**), OSP 1 worksheet beginning with cell P193 and Attachment AG-1-15(b) (**CONFIDENTIAL CD-ROM**), beginning with cell X12. The Total Fixed Capacity Costs are described in the power agreement in article seven, sections three through seven, Monthly Capacity Charge.

The projected costs for 2004, except for commodity costs, were based on the data in Attachment AG-1-15(b) (**CONFIDENTIAL CD-ROM**). The commodity cost for 2004 and other costs for the years 2005 and beyond are derived from Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**). Please note that in Exhibit NSTAR-RBH-6, the capacity costs are reduced by the "Gas Layoff Credit to Demand Charges". See also response Information Request AG-1-17.

Information Request AG-1-16

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Total Fuel Commodity Charge," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Total Fuel Commodity Charge amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP 1, row 18, cell B4, cell D8, cell D13 and beginning with cell F93, and Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**), OSP 1 worksheet, row 356 for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total Fuel Commodity Charge" shown for each year of the OSP 1 contract. The Total Fuel Commodity Charges are described in the power agreement in article seven, section eight, Monthly Energy Charge and Amendment three, page four.

The unitized commodity charges are derived from the Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**), OSP 1 worksheet and are net of the pipeline demand costs in that model. Those unit rates are then carried into the Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP 1 for calculating costs of energy.

Information Request AG-1-17

Referring to Exhibit NSTAR-RBH-6, page 2, Column "Gas Layoff Credit to Demand Charges," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Gas Layoff Credit to Demand Charges amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**) and Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**) for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Gas Layoff Credit to Demand Charges" shown for each year of the OSP 1 contract. The Gas Layoff Credit to Demand Charges are described in the power agreement in article seven, section ten, Credit of Revenues for Resale of Gas. These amounts are shown in Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP 1, row 19, and the annualized Louisiana spot Henwood gas price on the Escalators worksheet.

Information Request AG-1-18

Referring to Exhibit NSTAR-RBH-6, page 2, Column "TOTAL Operating Costs," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the TOTAL Operating Costs amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**) and Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**) and Attachment AG-15(b) (**CONFIDENTIAL CD-ROM**) for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total Operating Costs" shown for each year of the OSP 1 contract. The Total Operating Costs shown for years 2005 through 2011 are a sum of the Total Fixed Capacity Costs, the Total Commodity Changes, and the Gas Layoff Credit Demand Changes. The Total Operating Costs for 2004 is the sum of the three columns listed above for the nine months April through December.

Information Request AG-1-19

Referring to Exhibit NSTAR-RBH-6, page 3, please provide the history from the existing contract's inception date of the actual amounts for each of these columns.

Response

Please refer to Attachment AG-1-19 for the contract cost for OSP 2 as requested.

Ocean State Power Unit 2

S:\SHARED\CONTRA-PWR\PURCH\2003 PPA Auction\OSP 2\Notes\040921 OSP 2 Annual Cost Analysis.xls\Summary

Year	Total KWHs	Total Fixed Capacity Costs	Total Fuel Commodity Charges	Gas Layoff Credit to Demand Charges	Total Operating Costs	BECO %	Total BECO Costs
1991	80,656,747	13,820,255	3,605,260	(143,285)	17,282,229	23.5%	4,061,324
1992	882,983,172	87,040,036	18,476,012	(754,755)	104,761,293	23.5%	24,618,904
1993	461,001,921	88,906,725	19,012,557	(2,157,118)	105,762,264	23.5%	24,854,132
1994	484,901,162	85,654,550	20,094,539	(749,010)	105,000,079	23.5%	24,675,019
1995	377,493,660	86,002,041	15,394,416	(2,203,551)	99,192,906	23.5%	23,310,333
1996	495,188,898	79,867,347	21,682,470	(281,437)	101,268,380	23.5%	23,798,069
1997	405,471,703	84,947,256	21,971,912	(4,708,551)	102,210,617	23.5%	24,019,495
1998	468,980,359	74,961,635	23,212,532	(1,355,240)	96,818,927	23.5%	22,752,448
1999	372,333,084	72,818,209	14,686,650	(7,880,336)	79,624,523	23.5%	18,711,763
2000	342,286,266	74,886,810	40,351,553	(26,112,628)	89,125,735	23.5%	20,944,548
2001	375,371,563	71,876,199	39,856,421	(15,621,273)	96,111,347	23.5%	22,586,167
2002	291,597,494	66,184,926	23,047,100	(10,310,372)	78,921,654	23.5%	18,546,589
2003	169,745,647	77,452,572	31,064,656	(23,599,610)	84,917,617	23.5%	19,955,640
2004	92,483,216	38,174,447	18,715,917	(15,605,752)	41,284,612	23.5%	9,701,884

Notes:

1991 - Beco did not start buying power until November, although unit in Service in September 1991
2004 - Information is through July 2004 only.

Information Request AG-1-20

Please provide the monthly capacity factor for Ocean State Power unit 2, since the inception of the existing contract.

Response

Please refer to Attachment AG-1-20 for the monthly Ocean State Power 2 capacity factors since the inception of the contract.

Monthly Capacity Factors - Ocean State Power Unit 2

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1990	95.5%	96.4%	99.2%	97.5%	91.3%	84.3%	98.4%	91.6%	92.2%	73.5%	78.9%	86.1%	72.1%
1991	86.8%	90.0%	87.3%	93.2%	95.3%	96.3%	93.3%	22.7%	76.1%	97.4%	82.3%	85.4%	90.6%
1992	88.7%	95.4%	87.1%	80.6%	96.3%	95.8%	95.7%	89.4%	91.9%	93.5%	90.7%	89.3%	84.8%
1993	84.2%	84.2%	85.0%	91.6%	93.0%	60.9%	15.7%	32.5%	15.0%	77.6%	88.9%	80.5%	90.9%
1994	83.9%	83.9%	88.2%	90.4%	85.5%	91.5%	89.1%	96.2%	92.7%	92.8%	91.3%	87.9%	68.1%
1995	85.8%	90.9%	52.6%	51.3%	93.5%	94.3%	99.9%	63.0%	42.5%	46.0%	81.0%	84.8%	89.5%
1996	86.9%	88.2%	86.3%	90.8%	88.9%	88.2%	89.0%	84.8%	62.6%	83.4%	78.2%	82.9%	72.2%
1997	75.8%	76.8%	57.9%	67.5%	77.0%	67.2%	61.0%	46.9%	56.9%	57.8%	60.2%	62.0%	77.4%
1998	69.7%	72.1%	43.4%	39.9%	54.8%	55.7%	58.3%	58.6%	54.0%	63.8%	65.4%	45.7%	63.8%
1999	52.6%	54.9%	51.5%	58.0%	73.6%	75.0%	70.2%	72.1%	82.3%	68.3%	42.4%	60.2%	63.5%
2000	58.1%	55.7%	55.7%	37.4%	47.1%	36.9%	53.9%	48.6%	58.4%	55.3%	44.3%	42.9%	49.7%
2001	38.5%	54.0%	14.0%	1.8%	5.1%	28.5%	47.9%	32.9%	32.7%	35.3%	30.6%	22.7%	28.7%
2002	33.5%	10.7%	6.3%	29.5%	30.4%	40.3%	33.4%	20.9%					

Information Request AG-1-21

Referring to Exhibit NSTAR-RBH-6, page 3, Column "Total KWh," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the KWh amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP 2, cells B4 and D9 and row 15 for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total KWh" amounts shown for each year of the OSP 2 contract. The Company's entitlement is described in the power agreement in article four, section seven, Dispatch and article five, Buyer's Entitlement.

Information Request AG-1-23

Referring to Exhibit NSTAR-RBH-6, page 3, Column "Total Fuel Commodity Charge," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Total Fuel Commodity Charge amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP 2, row 18, cell B4, cell D8, cell D13 and beginning with cell G102 and Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**), OSP 2 worksheet, row 356 for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Total Fuel Commodity Charge" shown for each year of the OSP 2 contract. The Total Fuel Commodity Charges are described in the power agreement in article seven, section eight, Monthly Energy Charge.

Information Request AG-1-24

Referring to Exhibit NSTAR-RBH-6, page 3, Column "Gas Layoff Credit to Demand Charges," please provide the workpapers, calculations, formulas, assumptions, and supporting documentation for the Gas Layoff Credit to Demand Charges amounts shown for each year along with citations to the power agreement where applicable.

Response

Please refer to Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**) and Attachment AG-1-15(a) (**CONFIDENTIAL CD-ROM**) for the workpapers, calculations, formulas, assumptions, and supporting documentation for the "Gas Layoff Credit to Demand Charges" shown for each year of the OSP 2 contract. The Gas Layoff Credit to Demand Charges are described in the power agreement in article seven, section ten, Credit of Revenues for Resale of Gas. These amounts are shown in Attachment AG-1-14 (**CONFIDENTIAL CD-ROM**), worksheet OSP2, row 19, and the annualized Louisiana spot Henwood gas price from the Escalators worksheet.

Information Request AG-1-28

Please provide an update to the May 2004 market price of energy, capacity, and fuel for the Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook.

Response

The update to the May 2004 market price of energy, capacity and fuel for Henwood Energy Services Inc.'s Northeast Electricity and Gas Price Outlook is not available at this time. The next update to the Henwood Forecast is the Fall Henwood Forecast, which is generally not available until the end of October in a given year.

Information Request AG-2-2

Please provide a complete copy of the Fall 2004 Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook, when it becomes available.

Response

As acknowledged by the Attorney General, Henwood Energy Service Inc.'s Fall 2004 Northeast Electricity and Gas Price Outlook (the "Henwood Forecast"), is not available at this time. Moreover, the fall Henwood Forecast is generally not available until the end of October or the beginning of November in a given year. Given the scheduling of evidentiary hearings in this proceeding on October 14, 2004, it is unlikely that the Company will be able to provide a copy of the fall Henwood Forecast prior to the close of the record in this proceeding.

Information Request AG-2-3

Please provide an update to Exhibits NSTAR-BEC-GOL-2 through -8 using the Fall 2004 Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook, when it becomes available.

Response

Please see the Company's response to Information Request AG-2-2.

Information Request AG-2-4

Please provide an update to Exhibits NSTAR-RBH-5 and -6 using the Fall 2004 Henwood Energy Service Inc.'s Northeast Electricity and Gas Price Outlook, when it becomes available.

Response

Please see the Company's response to Information Request AG-2-2.

Information Request AG-2-5

Please provide copies of the monthly invoices for the last 24 months associated with the Ocean State Power contracts along with all associated calculations and supporting documentation.

Response

Please refer to the enclosed CD-ROM (Attachment AG-2-5 **CONFIDENTIAL**) for Ocean State Power ("OSP") invoices from July 2003 to the present. The Company provided the Department of Telecommunications and Energy and the Attorney General with OSP invoices for months prior to July 2003 as Exh. AG-2-20 (**CONFIDENTIAL CD-ROM**) in D.T.E. 04-60.

Please note that the information provided herein is confidential, proprietary and competitively sensitive and is being provided subject to a Non-Disclosure Agreement between NSTAR Electric and the Attorney General and a forthcoming Motion for Protective Treatment.